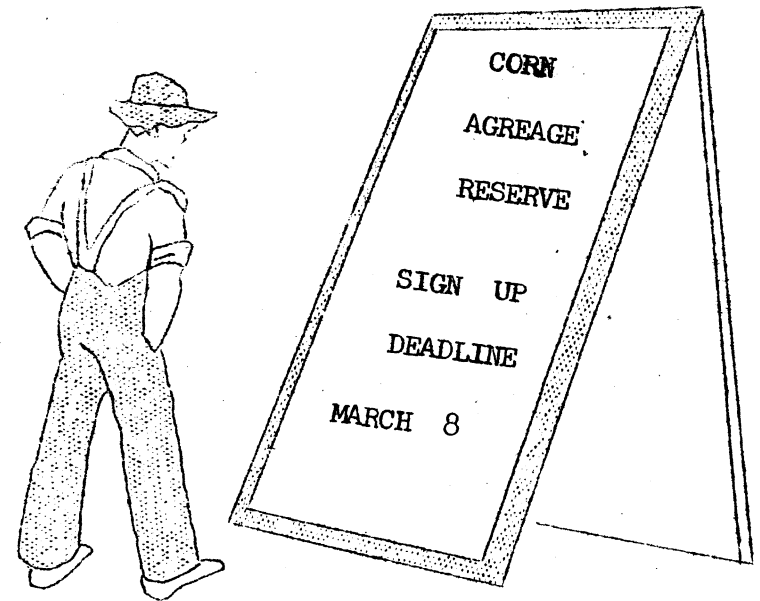


Department of Agricultural  
Economics & Rural Sociology

Mimeographed Leaflet  
A. E. 281

EXTENSION FACTS LEAFLET ON  
THE 1958 CORN ACREAGE  
RESERVE PHASE OF THE  
SOIL BANK



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158/4M

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Department of Agriculture, Agricultural Extension  
Service, W. B. Wood, Director, Columbus, Ohio.  
Distributed in furtherance of Acts of May 8 and  
June 30, 1914.

## 1958 CORN ACREAGE RESERVE

(Items marked \* are new or significantly different from year ago.)

1. What is the 1958 corn acreage reserve goal in the U. S.?

The national goal is 4-5 million acres. Congress has authorized a maximum of \$500 million for the entire program, which includes other "basic" crops.

2. How long will the corn acreage reserve program run?

The program is authorized through the 1958 crop year. Congress may make extensive changes before the 1959 crop year.

3. In what parts of Ohio does the corn acreage reserve apply?

It applies to all 71 commercial corn counties in Ohio in 1958. The non-commercial corn counties cannot participate.

4. Who may participate in the corn acreage reserve?

All farmers in commercial corn counties complying with their corn acreage allotment and ~~other~~ allotments.

5. Do I have to be in compliance with all allotments to qualify for the 1958 acreage reserve?

Yes. A farmer overplanting his wheat or tobacco allotment on a farm will be ineligible to receive acreage reserve payments for reducing corn acreage in 1958.

\*6. Do I have to be in compliance with allotments on other farms?

Not necessarily. However, if on the other farm a farmer plants more than 10% larger acreage than his present allotment or an acreage in excess of his highest acreage devoted to corn in 1956 or 1957 it may be considered a scheme or device to defeat the purpose of the program. Such violation requires forfeiture or refund of all payments under the agreement.

\*7. How does a farmer participate?

He voluntarily signs a one-year corn agreement between January 13 and March 7 with his county ASC committee designating specific tract (s) as corn acreage reserve. Agreements will be entered into on a "first come, first served" basis. This land will be withdrawn from production.

8. How do tenants participate?

If the operator is a share-tenant the agreement must also be signed by each person who has control of the land, or who is eligible to receive any compensation. If an operator has an absentee landlord who is required to sign the agreement, the operator must secure the landlord's signature and file the agreement with the ASC office by April 6. The operator still must have signed the agreement by March 7.

9. Are separate agreements signed for each crop placed in the acreage reserve?

Yes. A separate one-year contract is signed for each of the crops eligible in Ohio. These crops are corn, wheat and tobacco.

\*10. Can I terminate a corn acreage reserve contract?

No contract can be terminated after March 7.

11. Will participation reduce my historic allotment base acreage?

Farms have a base from which acreage allotments are determined. Participation in the corn acreage reserve will not lower the historical corn base and will not in itself cause future allotments to be less than they would have been if there were no soil bank.

12. Can I choose any land I want to place in the acreage reserve?

Farmers will be required to designate the eligible specific tract (s) when they sign up in the acreage reserve. The selection must be approved by the ASC. The ASC has the right to reject tracts which are of such size, shape, and nature that it is impractical to determine performance or which would tend to defeat the purpose of the program. This would include drouthy knobs, flood areas or areas difficult to measure.

13. How can I use "banked" acres in 1958?

- a) No crop maturing as seed or grain can be harvested from acreage reserve acres for the entire year, January 1, 1958 through December 31, 1958.
- b) No grazing is permitted on the acreage reserve through January 1, 1958 and December 31, 1958 except in emergency cases which must be approved in advance by the Secretary of Agriculture.
- c) Noxious weeds -- Johnsongrass, bindweed, quack grass, and Canada thistle-- must be controlled from spreading on acreage reserve acres. No payment will be made for controlling these weeds.
- d) Cover crops (approved by the ASC) planted or a crop already growing and with harvest possible must be disposed of prior to a date set by the local ASC committee. Wheat or other crops for harvest in 1959 can be planted in the fall of 1958 on designated acreage reserve acres.

14. Are farms to be inspected for eligibility of the designated acres?

Yes. The county committee will inspect for suitability of the land, productivity, accuracy of designation, and size and shape before the agreement is approved.

\*15. Which land is eligible for the 1958 corn acreage reserve?

The land eligible for the corn acreage reserve is any land which was in regular crop rotation in 1956 and 1957 and is now suitable for crop production. A "soil bank base crop" must have been planted on the area designated during the 1953-57 period.

16. What land is not eligible to be designated as the corn acreage reserve?

Land that cannot be designated includes: a) Woodlots, b) Plowable non-crop open pasture (permanent pasture), c) Land which is an erosion hazard, if tillage is continued, and d) Conservation reserve acreage.

17. Are there any other requirements on land to be designated as corn acreage reserve?

Yes. Other requirements for designated acreage reserve areas include:

- a) Land to be used for business, housing, highways, industrial developments or other non-agricultural use is not eligible.
- b) It must be land suitable for production of a crop in 1958. Land that generally floods before harvest is not eligible.
- c) If the land has significantly lower productivity than the remainder of the farm this must be indicated in the agreement.
- \*d) Acreage of "soil bank base crops" on the farm must be limited?

\*18. What is the farm "soil bank base"?

The "soil bank base" for a farm is the average acreage on the farm devoted to "soil bank base crops" during the years 1956 and 1957. The county ASC committee can make adjustments for abnormal weather and for new land brought into production of "soil bank base crops" in 1957. For farms with a "base" already established under the conservation reserve program this "base" will apply.

\*19. What are the "soil bank base crops"?

The principal "soil bank base crops" in Ohio are corn, all small grains harvested for grain, soybeans, field peas and beans, tobacco, vegetables for fresh marketing or processing, potatoes and sugar beets. Annual grasses are considered "soil bank base crops" if seed is harvested.

Annual biennial or perennial grasses or legumes grown for hay or pasture, any green manure crop not removed from land, any small grain pastured off before county disposition date, and home gardens are not soil bank base crops. They are considered "soil conserving".

\*20. What if I harvest more than one crop from the land in the 1958 crop year?

When more than one crop is produced on the same land in one year and one of the crops is a "soil bank base crop" the land will be considered as having a "soil bank base crop" for the entire year.

\*21. How can I determine my farm "soil bank base" for 1958?

Determine the total acres of "soil bank base crops" for 1956 and 1957. Add to the total acres the number of acres in the acreage reserve for 1956 and 1957. Then add the acres placed in the conservation reserve at the regular rate and divide the total by 2. This gives the "soil bank base". Adjustments may need to be made. (See question 18).

Farmer A had 40 acres of corn in 1956 and grew 35 acres of corn in 1957. He grew 15 and 12 acres of wheat and has grown 22 and 31 acres of oats in 1956 and 1957 respectively. He placed 5 acres in the corn acreage reserve in 1957. These are his only "soil bank base crops" as he used all his meadow for hay and pasture except the 5 acres in the 1957 acreage reserve.

Soil bank base crops in 1956	-	77 acres
Soil bank base crops in 1957	-	78 acres
Acreage reserve in 1957	-	5 acres
Total		<u>160</u> acres
Soil bank base (160 ÷ 2)	=	80 acres

Farmer B has grown 90 and 80 acres of corn, 19 and 18 acres of wheat, 4 and 5 acres of sugar beets, 6 and 7 acres of tomatoes, and 30 and 35 acres of soybeans in 1956 and 1957 respectively. He has 10 acres in the conservation reserve for 1957-59. The remainder of his cropland was in hay and pasture.

Soil bank base crops in 1956	-	149 acres
Soil bank base crops in 1957	-	135 acres
Conservation reserve		
(regular rate) in 1957	-	10 acres
Acreage reserve in 1957	-	<u>0</u> acres
Total		<u>294</u> acres
Soil bank base (294 ÷ 2)	=	147 acres

\*22. What is the payment rate per acre on corn land placed in the acreage reserve?

Rates per acre in Ohio counties will vary from \$44.00 to \$62.00 for corn.

\*23. How do I determine the farm compensation?

The payment rate per acre is multiplied by the number of acres placed in the corn acreage reserve.

Farmer C agrees to place 10 acres in the corn acreage reserve and fulfills this agreement. His payment is \$55 per acre. The total compensation would be \$550 in the corn acreage reserve (10 acres X \$55 per acre).

\*24. What is the maximum payment allowed?

A \$3000 limit is the maximum combined payment from wheat, corn and tobacco that any one producer can receive. This limit applies to each producer (landlord and tenant are two producers) with regard to each farm he operates or in which he has an interest and share in the crop.

Farmer D could receive up to \$3000 for placing only his corn land in the acreage reserve providing his corn allotment is large enough. A landlord and tenant could each receive \$3000 providing the corn allotment is large enough.

Farmer E could place some corn, wheat and tobacco land in the acreage reserve. The only limits are the total allotments for each crop and the combined payment of \$3000 for each interested producer.

\*25. Will I receive more compensation if I leave the same designated acres in the acreage reserve in 1958 as was designated in 1957?

If identical land is designated as corn acreage reserve in 1958 as in 1957 the rate in 1958 will be 110% of the 1957 rate.

Farmer F places 5 acres of corn in the 1958 acreage reserve with a \$50 per acre payment rate. His return will be \$250 (5 acres X \$50 = \$250). His 1958 return if identical land is designated as acreage reserve as was designated in the acreage reserve in 1957, will be \$275 (\$250 X 110%).

\*26. What is the minimum participation?

There is no specified minimum acreage requirement. For practical purposes the minimum is one acre of corn.

\*27. What is the maximum acreage participation?

There is no maximum acreage limitation. However, the acreage reserve area cannot exceed the combined acreage allotments of corn, wheat and tobacco. The maximum acreage for any crop cannot exceed the allotment for that crop. The combined payment for all crops cannot exceed \$3000 per operator.

Farmer G has a 19 acre corn allotment. He can place a maximum of 19 acres in the acreage reserve.

Farmer H has a 60 acre corn allotment, does not share his payment, and has no other land in the acreage reserve. He can place 60 acres in the corn acreage reserve providing his payment does not exceed \$50.00 per acre. (60 acres X \$50.00 per acre = \$3000.00). If Farmer G has \$60.00 payment rate per acre his maximum corn acreage in the acreage reserve will be 50 acres (50 acres X \$60.00 per acre = \$3000.00).

Farmer I is a tenant and shares his payment with the landlord on a 50% share basis. Their corn allotment is 95 acres and their payment rate is \$61.00 per acre. The total payment for placing the entire corn allotment and no wheat or tobacco in the acreage reserve would be \$5795.00 (95 acres X \$61.00 per acre = \$5795.00). Each producer would receive \$2897.50 ( $\$5795.00 \div 2 = 2897.50$ ) for placing the entire corn allotment in the acreage reserve (see question 24).

\*28. How many acres of "soil bank base crops" can I harvest in any year?

The "permitted acreage" of "soil bank base crops" which may be harvested in any year is the "farm soil bank base" minus the acreage placed in the acreage reserve under all agreements for the farm for the year, and minus the number of acres entered into the conservation reserve at the regular rate under contract for that year.

Farmer J (Farmer A in question 21) has a 80 acre "farm soil bank base". For 1958 he wants to place 10 acres of corn land in the acreage reserve. He has not participated in the conservation reserve. He can harvest (permitted acreage) 70 acres ( $80 - 10 = 70$ ).

Farmer K (Farmer B in question 21) has a "farm soil bank base" of 147 acres. He has a conservation reserve contract for 10 acres for 1957-59. He wants to place 20 acres of corn in the acreage reserve. His maximum permitted harvested acreage would be 117 acres ( $147 - 30 = 117$ ).

\*29. Do I have to reduce my total harvested acreage from both the allotment and the farm soil bank base?

Yes. This is designed to prevent substitution in the production of other feed grains.

30. What if I unintentionally overplant the acreage of corn?

The excess acreage must be disposed of by the date established for the crop by the county ASC, and in the manner indicated by the county ASC. The time and manner will be the same for the acreage reserve area as for the price support program. Failure to comply with these regulations will be considered a violation of the contract (see question 36).

\*31. What other rules apply to overplanting?

- a) If the final measured acres of the other "soil bank base crops" exceeds the permitted acreage by more than 1 acre or 3%, whichever is larger, the agreement is in violation and all payment is forfeited. No civil penalty will be added in this case.
- b) There can be no excess acreage of corn (corn allotment minus 1958 corn acreage reserve). If there is any excess acreage the payment is forfeited plus a 50% civil penalty.
- c) When the permitted acreage is 0 (cases where all crop land is placed in the soil bank) if there is any acreage classified as "soil bank base crops" the contract is in violation (see questions 19 and 36).

Farmer L with a corn allotment of 30 acres and a soil bank base of 100 acres places 20 acres in the corn acreage reserve. His permitted acreage is 10 acres of corn and 70 acres of other soil bank base crops. His final measured acreage of corn growing for harvest is 11.0 acres and he has 69 acres of other "soil bank base crops". The acreage of corn exceeds the permitted acreage. His entire corn acreage reserve payment will be forfeited plus a 50% civil penalty.

Farmer L using above example has a measured acreage of 10 acres of corn and 71.0 acres of other "soil bank base crops". His other "soil bank base crops" exceeds the permitted acreage by one acre. This is within the 1 acre or 3%, whichever is larger, tolerance that is allowed on other "soil bank base crops". His corn payment will be reduced equal to the payment rate for 1 acre of corn.

Farmer L using above example has a measured acreage of 10 acres of corn and 75 acres of other "soil bank base crops". His other "soil bank base crops" exceeds the permitted acreage by 5 acres. This is in excess of the 3% tolerance allowed. He will forfeit his entire payment for the corn acreage reserve area, but no civil penalty will be assessed.

32. How will I be paid?

Payment will be made in certificates. These certificates can be cashed at banks at their face value. Corn certificates cashed for CCC grain (oats, rye, barley) will probably have the price of the grain discounted. Certificates transferred to other individuals cannot be redeemed for grain.

33. When will I be paid?

The certificates or checks will be issued to the producer (s) upon determination of compliance with the acreage reduction requirements. This probably will be near harvest time.

34. What provisions relate to tenants and landlords?

The compensation of tenants and landlords shall be specified in the agreement. The share of compensation of tenants and landlords shall be on a fair and equitable basis and must be approved by the county ASC committee. No agreement will be entered into if it appears:

- a) That the operator or landlord has reduced the acres of their respective shares of the corn allotment.
- b) That the operator or landlord has reduced the number of tenants or the share of the corn allotment available to the tenants.
- c) That the operator or landlord has increased his share of the crop and reduced the tenants share.
- d) That there exists between operators, landlords and tenant(s) an agreement:
  - 1) To cause any tenants to pay over the landlord or operator any compensation, or
  - 2) To change the status with respect to the land, or
  - 3) To reduce the size of tenant's (s') share of allotment, or
  - 4) To increase rent to be paid by tenants or decrease the share of the crop received by tenants.

Tenants moving after an acreage reserve agreement is signed but before compensation is paid shall be paid their share of the payment providing they retain interest in the corn crop. Successor tenants can be paid providing the ASC is notified in writing and the successor tenant executes an agreement with ASC.

35. Who is entitled to the payment when the farm is sold?

If the farm is sold after signing the acreage reserve agreement and before payment is made the original signer will receive the acreage reserve payment if he retains interest in the corn crop. If the interest in the corn crop is transferred to the buyer and the county ASC office is notified in writing before compensation is paid the payment will be made to the buyer providing he signs the agreement.

36. What happens if the contract is violated?

If the violation is of such substantial nature as to warrant termination of the contract all payments will be forfeited, and the farmer shall refund all compensation received under the Soil Bank. If the violation does not warrant termination of the agreement the producer shall accept such compensation, adjustments, forfeit benefits and make such refunds as may be deemed appropriate. A violation requiring forfeiture of part or all of the payment does not automatically terminate the agreement. The termination, to be effective, must be approved by the ASC and the farmer is notified. A civil penalty will be assessed against any producer who knowingly grazes or harvests any crop from the designated acreage reserve, or harvests in excess of the permitted acreage of corn shown on the agreement. There is no tolerance for 1958 corn. This penalty will be equal to 50 percent of the compensation payable for compliance. It is in addition to any amount forfeited under provisions of the agreement.